

(323) 881-2401

October 11, 2002

TO: EACH SUPERVISOR

FROM: P. MICHAEL FREEMAN

**HEALTH HAZARDOUS MATERIALS  
DIVISION (HHMD) FEES FOR FISCAL YEAR 2002-03**

We recently filed our recommendations for the annual fee adjustments for businesses that handle hazardous materials/waste as administered by the Fire Department's Unified Program Agency. Your Honorable Board will consider this matter at its meeting on October 22, 2002, and we have briefed your staffs on this issue.

2002-03 Hazardous Materials/Waste Fees

The 2002-03 fees have been established using the standard methodology approved by your Board in 2000 and annual costs in the Department's 2002-03 Adopted Budget. As detailed in the attached briefing sheet, HHMD costs have risen 3.88% over last year, and the fees have been adjusted to reflect the higher costs. Fee increases range from 2.17% to 7.33% based on the established methodology, with larger firms paying a higher proportional fee than smaller firms. The proposed fees have been reviewed and approved by the Auditor-Controller and County Counsel, and we will issue the annual bills in the Spring of 2003.

2002-03 Cal-ARP Fees

Separate from the fees being considered by your Board on October 22, 2002, the Fire Department also administers the California Accidental Release Prevention Program (Cal-ARP) under the auspices of the Unified Program. Each year, annual fees are determined based on the program costs, the number of regulated facilities and the chemicals handled by those facilities, in accordance with County Code Section 12.64.050 and as approved by the Auditor-Controller.

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Unlike fees for hazardous waste generators and handlers, these fees are processed administratively and are not formally approval by the Board. Comparative figures for the past three years are summarized as follows:

	<b>FY 99-00</b>	<b>FY 00-01</b>	<b>FY 01-02</b>
Total # Facilities	372	372	378
Total Program Cost	\$611,974	\$563,743	\$599,924
Cost Recovery	\$92,465	\$63,081	\$24,500
\$ Per Risk Unit	\$16.04	\$15.31	\$18.04

After a decrease in the risk unit rate last year, we are seeing an increase in the rate this year. This is partially because new Cal-ARP staff performed less cost recoverable work because of technical training requirements. Other variations in risk unit rates are caused by changes in program costs and facility chemical inventory levels. Since these fees are processed administratively, invoices were mailed out to our 378 Cal-ARP facilities on July 5, 2000.

If you have any questions, please call me or your staff can contact Chief Deputy Eric Webber at (323) 881-6178.

PMF:kj

Attachment

c: David E. Janssen  
Louisa Ollague  
Randi Tahara  
Joseph Charney  
Matt Knabe  
Jennifer Plaisted

**FY 2002-2003 HHMD FEES**  
**Board of Supervisors Briefing Sheet**  
**October 11, 2002**

**PURPOSE:**

- Adjust HHMD annual program fees to reflect changes in program costs and projected inventories.
- Revised fees in accordance with existing ordinance and approved by the Auditor-Controller.
- Establish FY 2002-03 annual fees to be billed by LA City and Santa Monica.

**BACKGROUND:**

- HHMD program costs have increased as a result of staffing costs included in the FY 2002-03 budget.
- County fee ordinances allow annual adjustments in HM and HW programs annual permit fees and hourly cost recovery charges to fully recover program costs.
- A spreadsheet model, developed by Department staff and approved by the Auditor-Controller, is used to project program costs and calculate annual fees and hourly cost recovery rates to recover these costs.
- Hazardous Materials fee methodology was revised last year.
- Hazardous Waste Generator fees have remained the same for two fiscal years.

**PROGRAM COST CHANGES:**

- Changes reflect approved increases in salary and employee benefit costs, and additional staff in HHMD.
- Overall HHMD costs have increased 3.88% over the previous year.

**PROPOSED FEES FOR FY 2002-03:**

Item	Inventory	FY 01-02	FY 02-03	Percent Change
Overall HHMD Costs	N/A	11,899,898	12,361,627	3.88%
<b>Hazardous Waste Program Annual Fees</b>				
Silver Only Generators	668	\$182	\$190	4.62%
0-5 Employees	9,424	\$364	\$381	4.62%
6-19 Employees	3,432	\$502	\$531	5.70%
20-100 Employees	2,512	\$706	\$753	6.66%
101-500 Employees	814	\$1,029	\$1,104	7.33%
501+ Employees	127	\$1,725	\$1,850	7.23%
<b>Hazardous Materials Program Annual Fees</b>				
Small Quantity	278	\$140	\$144	3.07%

Handlers				
Minor Handlers	4,787	\$208	\$214	2.80%
Moderate Handlers	2,360	\$271	\$279	2.91%
Major Handlers	1,681	\$380	\$390	2.72%
Major-Large Handlers	318	\$529	\$542	2.54%
Major-Complex Handlers	174	\$868	\$887	2.17%
<b>Hourly Cost Recovery Hourly Rates</b>				
Emergency Response	N/A	\$89	\$85	-4.5%
Site Mitigation	N/A	\$92	\$96	4.35%
CalARP	N/A	\$96	\$96	No Change

**OUTREACH:**

- Inserts will be included with billings to explain new fees and answer frequently asked questions.
- FMD/HHMD phone numbers will be provided to answer questions.